



## Minnesota Housing eNews Alert

August 4, 2009

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## MBS Transition: Introduction of New Documents and Commitment Terms

As previously announced, Minnesota Housing will be implementing the Mortgage Backed Securities (MBS) business model on September 1, 2009 for the Minnesota Mortgage Program (MMP) and Community Activity Set Aside (CASA) program. There are several changes to documents and processes required for MMP and CASA loans. All documents can be found on the [U.S. Bank ALL Regs Page](#). You may access the checklists by clicking on *U.S. Bank Lending Manuals, Housing Finance Authority, Minnesota, Minnesota Housing Finance Agency, Checklists*

New Documents:

- U.S. Bank Home Mortgage - MRBP Division Checklists - Delivery checklists will be required for delivery of credit and compliance documents to US Bank Home Mortgage - MRBP Division. Checklists will be available on the US Bank Allregs site for each underlying loan type - FHA, VA, RD or Conventional
- Down payment acknowledgment form - required to be signed by borrowers utilizing Homeownership Assistance Fund (HAF).

**Other standard Minnesota Housing documents will still apply, including:**

- Subsidy Recapture Disclosure Statement
- Borrower Affidavit
- Property Seller Affidavit
- Mortgage Deed Amendment
- Notice to Buyer (FHA) or Notice to Veteran & Consent (VA)
- FHA Streamlined 203K Appliance Form (if applicable)
- 3 Years Federal Tax Returns

Effective with new loan commitments dated September 1, 2009, commitment terms and fees will change as follows:

Construction Type	Free Commitment Period	First Extension Terms	Second Extension Terms	Cancellation
Existing Construction	75 days	At day 76 a fee of .50% is assessed	At day 106 a fee of .50% is assessed	Day 136
New Construction	115 days	At day 116 a fee of .50% is assessed	At day 146 a fee of .50 is assessed	Day 176

Anyone except for the borrower may pay extension fees.

It is also important to note that Minnesota Housing's commitment period will start on the date of commitment on the HDS SF web application and will continue until the date of the arrival of the closed loan package at US Bank Home Mortgage - MRBP Division.

### **Hold Fees**

Hold Fees for incomplete purchase packages to the Master Servicer will now apply. Minnesota Housing will allow a two-week period with no fees assessed, from the date of notification from the Master Servicer, for the lender to cure any exceptions. If the exception(s) remain outstanding beyond the two-week period, fees in an amount equal to .125% of the loan amount will accrue each week until the exception is cured. The purchase price of the loan will be discounted in an amount equal to the accrued fees due.

## **Mandatory MBS Program Training - Meet your new business partner and get ready to do business**

Representatives from our newly selected Master Servicer, US Bank Home Mortgage - MRBP Division, along with Minnesota Housing staff, will train our lender network on the new program and process changes in August. **PLEASE NOTE: Lenders must be prepared to send at least one person to one training session in order to continue to do business with Minnesota Housing under the new Mortgage Loan Program - Mortgage Backed Securities. Although only one person is required, it is highly recommended that any staff working with Minnesota Housing loans attend the training.**

**Who should attend this training?**

- Managers, Loan Officers, Processors, Loan Specialists, Underwriter, Closers, Post Closers, Shippers, and Final Documents Staff will all benefit from this training.

- At the training, attendees will be able to meet the new business partners, learn about program changes and the new process of selling loans. There will also be time for detailed Q&A.

[Register online](#) for a training session August 12 or during the week of August 17-21.

**Due to high demand, an additional Webinar session has been added to these trainings on Thursday, August 20, 2009 from 8:15 a.m. to 12:00 p.m.**

[Register for the Webinar.](#)

## Questions?

For training registration questions, please contact:  
Stacy Bray at 651.296.8276, or [stacy.bray@state.mn.us](mailto:stacy.bray@state.mn.us)

For questions on the MBS program, please contact:  
Kimberly Stuart at 651.296.9959 or [kim.stuart@state.mn.us](mailto:kim.stuart@state.mn.us)